

SPECIAL MEETING OF THE CITY COUNCIL  
CITY OF CALEDONIA, MINNESOTA  
Thursday, September 8, 2011

CALL TO ORDER. Following due call and notice thereof, Mayor Burns called the special meeting to order at 7:00 p.m. in the Council Room, City Hall.

ROLL CALL. Members present: Mayor Robert H. Burns; Council Members: Randi Vick, Robert Lemke, Tom Murphy and Paul Fisch. Members absent: None. Consultants and City staff present: City Clerk/Administrator Jennifer Feely and City Accountant Stephanie Mann. Visitors present: None.

BUSINESS ITEM.

A. 2012 BUDGET WORK SESSION. City Clerk/Administrator Feely shared that the 2011 Legislature repealed the homestead residential Market Value Credit, and enacted a similarly designed homestead Market Value Exclusion. It was noted that the change goes into effect for taxes payable in 2012. It was explained that under the new law, the following will apply: a portion of homestead market value will be excluded from taxation; the exclusion will equal 40% of the first \$76,000 in market value; the state will no longer pay a share of the tax on homesteads, but homesteads have less value subject to taxation; the removal of the state spending on credits means property taxpayers, as a whole, will pay more if levies remain the same; the reduction in the tax base for homesteads means non-homesteads will pay a higher share of the levy, and a large share of homesteads could pay more given that exclusion amounts and other factors vary; and local governments will receive the full amount that they levy from their taxpayers. Discussion ensued. City Accountant Mann distributed a preliminary budget for the general fund. Each line item of the general fund budget was reviewed by the Council. Much discussion ensued. The consensus of the Council is that the preliminary 2012 budget will be adopted at its regularly scheduled meeting on September 12. For the time being, it was noted that a levy increase of 6.62% would likely be adopted at that time. No official action was taken.

B. BALL FIELD MATERIAL. City Clerk/Administrator Feely shared that an additional load of Sur-Hop Infield Mix is required to complete the ball field project. It was noted that the cost for an additional load of material will be approximately \$1,300.00. A motion was made by Mayor Burns, seconded by Member Fisch, to order an additional load of Sur-Hop Infield Mix from Waupaca Sand at a cost of approximately \$1,300.00. All members present voted in favor and the motion was declared carried.

ADJOURNMENT. A motion to adjourn was made at 10:15 p.m. by Member Murphy, seconded by Member Vick. All members voted in favor and the motion was declared carried. The next regularly scheduled meeting of the City Council is scheduled for Monday, September 12, 2011 at 6:00 p.m. in the Council Room, City Hall.

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Robert H. Burns  
Mayor

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Jennifer Feely  
City Clerk/Administrator